Distr.
GENERAL

GC.7/5
10 July 1997

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

GENERAL CONFERENCE

Seventh session
Vienna, 1-5 December 1997
Item 7 of the provisional agenda

REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD ON THE WORK OF ITS SEVENTEENTH SESSION (23-27 June 1997)

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Introduction

1. The report of the Industrial Development Board on the work of its seventeenth session is presented to the General Conference in accordance with Article 9.4 (c) of the Constitution. The summary records of the Board (IDB.17/SR.1-8), where details of the proceedings are contained, form an integral part of the present report.

2. The following decisions of the Board, reproduced in annex I, are related to the work of the General Conference at its seventh session:

IDB.17/Dec.6 UNIDO Staff Pension Committee

IDB.17/Dec.9 Provisional agenda for the seventh session of the General Conference.

I. ORGANIZATIONAL AND PROCEDURAL MATTERS

3. The seventeenth session of the Board was held at UNIDO Headquarters, Vienna International Centre, from 23 to 27 June 1997 (8 plenary meetings—see IDB.17/SR.1-8).

Participation

4. The following 49 of the 53 members of the Board were represented at the session: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, China, Colombia, Cuba, Denmark, Ecuador, Egypt, France, Germany, Ghana, Greece, Hungary, India, Indonesia, Iran (Islamic Republic of), Italy, Japan, Kenya, Lebanon, Mexico, Morocco, Netherlands, Nicaragua, Nigeria, Pakistan, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Spain, Sudan, Sweden, Switzerland, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland.

5. The following 49 Member States of UNIDO also participated in the session: Afghanistan, Angola, Armenia, Australia, Azerbaijan, Belarus, Bolivia, Bosnia and Herzegovina, Burkina Faso, Cameroon, Chile, Costa Rica, Croatia, Cyprus, Czech Republic, Democratic People's Republic of Korea, Ethiopia, Finland, Guatemala, Haiti, Iraq, Ireland, Israel, Jordan, Kuwait, Liberia, Libyan Arab Jamahiriya, Luxembourg, Malaysia, Malta, Namibia, New Zealand, Norway, Oman, Panama, Seychelles, Slovakia, Slovenia, Sri Lanka, Syrian Arab Republic, Thailand, The former Yugoslav Republic of Macedonia, Turkmenistan, Ukraine, Uruguay, Venezuela, Viet Nam, Yemen, Zimbabwe.

6. The Holy See participated as observer.

7. The permanent observer of Palestine also participated.

8. The following United Nations bodies were represented: Economic Commission for Europe, United Nations Development Programme, United Nations Office at Vienna.

9. The following United Nations specialized agencies were represented: Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization.

10. The following other intergovernmental organizations were represented: Asian-African Legal Consultative Committee, Common Market for Eastern and Southern Africa, International Organization for Migration, League of Arab States, Organisation of the Islamic Conference, Organization of African Unity.

11. The following non-governmental organizations were represented: Institut Supériuer de Gestion, International Confederation of Free Trade Unions, World Association for Small and Medium Enterprises.

Opening of the session

12. The seventeenth session of the Industrial Development Board was declared open by the President of the fifteenth, sixteenth and seventh special sessions, Mr. S.K. Lee (Republic of Korea).

Officers of the session

13. In accordance with rule 23 of its rules of procedure, the Board elected by acclamation: Mr. I. Posta (Hungary) as President; Mr. A. Velazco San José (Cuba), Mr. J. R. H. Bøjer (Denmark), Mr. A.A. Halim Mohamed (Sudan) as Vice-Presidents and Mr. A.R. Tootoonchian (Islamic Republic of Iran) as Rapporteur.

Agenda for the session

14. The Board adopted the following agenda:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.

4. Annual report of the Director-General for 1996 on the activities of the Organization, including progress report on specific activities (e.g. proposed international centre for hydrogen energy technologies).

5. Implementation of the UNIDO reform.

6. Follow-up to the seventh special session: Draft business plan of the intersessional working group on the future role and functions of UNIDO.

7. Development of human resources for industry.

8. Integration of women in industrial development.

9. Environmentally sustainable industrial development.

10. Industrial investment promotion.

11. Private sector development.

12. The regional dimension:

(a) Africa, in particular the Second Industrial Development Decade for Africa;
(b) Arab countries programme for industrial development, including technical assistance to the Palestinian people;
(c) Special Programme for the Industrial Development of Asia and the Pacific;
(d) Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean.

13. Industrialization of the least developed countries.

14. Operational activities for development.

15. UNIDO contribution to the System-Wide Action Plan on Drug Abuse Control.

16. Field representation.

17. Personnel matters:

(a) United Nations Joint Staff Pension Fund;
(b) International Civil Service Commission.

18. Joint Inspection Unit.

19. Matters related to intergovernmental, non-governmental, governmental and other organizations.

20. Preparations for the seventh session of the General Conference.

21. Provisional agenda and date of the eighteenth session.

22. Adoption of the report.

23. Closure of the session.

15. The Board adopted a proposal by the President to ensure the maximum utilization of available conference-servicing resources (see annex I, decision IDB.17/Dec.1).

16. The Board decided to set up informal, in-session consultations with the aim of facilitating the drafting of decisions and entrusted Mr. A.A. Halim Mohamed (Sudan), Vice-President, to chair those consultations (see IDB.17/SR.2, para. 6). Given the temporary unavailability of Mr. A.A. Halim Mohamed, this task was later assumed by Mr. J.R.H. Bøjer (Denmark), Vice-President (IDB.17/SR.6, para. 5).

II. ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1996 ON THE ACTIVITIES OF THE ORGANIZATION, INCLUDING PROGRESS REPORT ON SPECIFIC ACTIVITIES; IMPLEMENTATION OF THE UNIDO REFORM; FINANCIAL SITUATION OF UNIDO

17. The Board decided to discuss simultaneously agenda item 4 (Annual report of the Director-General for 1996 on the activities of the Organization, including progress report on specific activities) and item 5 (Implementation of the UNIDO reform). Also included in the consideration of items 4 and 5 was the subject of the financial situation of UNIDO. The debate on the two items as well as on the financial situation of UNIDO is reflected in summary records IDB.17/SR.1, paragraphs 39 to 57 and IDB.17/SR.2, paragraphs 11 to 47.

A. Annual Report of the Director-General for 1996

18. The Board had before it the Annual Report of UNIDO 1996, including programme performance report for 1996 (IDB.17/10, Add.1 and Add.2) and a report by the Director-General on the establishment of an international centre for hydrogen energy technologies (IDB.17/2). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 4-5).

B. Implementation of the UNIDO reform

19. The Board had before it a report by the Director-General on the implementation of the UNIDO reform (IDB.17/19). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 4-5).

C. Financial situation of UNIDO

20. The Board had before it a report by the Director-General on the financial situation of UNIDO (IDB.17/24 and Corr.1) and notes by the Secretariat on the financial situation of UNIDO (IDB.17/CRP.5) and on preliminary budget estimates, 1998-1999 (IDB.17/CRP.7). For reference to a decision on the subject (IDB.17/Dec.3), see paragraph 22 below.

III. FOLLOW-UP TO THE SEVENTH SPECIAL SESSION: DRAFT BUSINESS PLAN OF THE INTERSESSIONAL WORKING GROUP ON THE FUTURE ROLE AND FUNCTIONS OF UNIDO; FIELD REPRESENTATION

21. The Board decided to discuss simultaneously agenda item 6 (Follow-up to the seventh special session: Draft business plan of the intersessional working group on the future role and functions of UNIDO) and item 16 (Field representation). The debate on the two agenda items is reflected in summary records IDB.17/SR.3, paragraphs 1 to 74, IDB.17/SR.4, paragraphs 1 to 120, IDB.17/SR.5, paragraphs 1 to 66 and IDB.17/SR.6, paragraphs 1 to 36.

A. Follow-up to the seventh special session: Draft business plan of the intersessional working group on the future role and functions of UNIDO

22. The Board had before it a progress report by the Chairman (Mr. I. Posta, Hungary) containing the draft business plan of the intersessional working group on the future role and functions of UNIDO (IDB.17/25) and a note by the Secretariat containing preliminary budget estimates, 1998-1999 (IDB.17/CRP.7). The Board considered two draft decisions submitted by the President (IDB.17/L.2; IDB.17/L.10) and adopted decisions IDB.17/Dec.2 and IDB.17/Dec.3 (see annex I). For statements made in connection with the adoption of decision IDB.17/Dec.2, see summary record IDB.17/SR.8, paragraphs 9 to 27.

B. Field representation

23. The Board had before it a report by the Director-General on UNIDO field representation (IDB.17/9). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 37-38). For a statement made, see summary record IDB.17/SR.8, paragraph 39.

IV. DEVELOPMENT OF HUMAN RESOURCES FOR INDUSTRY; INTEGRATION OF WOMEN IN INDUSTRIAL DEVELOPMENT; ENVIRONMENTALLY SUSTAINABLE INDUSTRIAL DEVELOPMENT; INDUSTRIAL INVESTMENT PROMOTION; PRIVATE SECTOR DEVELOPMENT

24. The Board decided to discuss simultaneously agenda item 7 (Development of human resources for industry), item 8 (Integration of women in industrial development), item 9 (Environmentally sustainable industrial development), item 10 (Industrial investment promotion) and item 11 (Private sector development). The debate on the five items is reflected in summary records IDB.17/SR.6, paragraphs 43 to 84 and IDB.17/SR.7, paragraphs 1 to 10.

A. Development of human resources for industry

25. The Board had before it a report by the Director-General on the development of human resources for industry (IDB.17/6). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 30-31).

B. Integration of women in industrial development

26. The Board had before it a report by the Director-General on the integration of women in industrial development (IDB.17/3). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 30-31).

C. Environmentally sustainable industrial development

27. The Board had before it a report by the Director-General on environmentally sustainable industrial development (IDB.17/8). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 30-31).

D. Industrial investment promotion

28. The Board had before it a report by the Director-General on industrial investment promotion (IDB.17/23) and a note by the Secretariat on industrial investment promotion (IDB.17/CRP.3). At the suggestion of the President, the Board took note of that documentation (IDB.17/SR.8, paras. 30-31).

E. Private sector development

29. The Board had before it a report by the Director-General on private sector development (IDB.17/11). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 30-31).

V. THE REGIONAL DIMENSION: (a) AFRICA, IN PARTICULAR THE SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA; (b) ARAB COUNTRIES PROGRAMME FOR INDUSTRIAL DEVELOPMENT, INCLUDING TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE; (c) SPECIAL PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT OF ASIA AND THE PACIFIC; (d) REGIONAL COOPERATION PROGRAMME FOR THE INDUSTRIAL RECOVERY OF LATIN AMERICA AND THE CARIBBEAN; INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES

30. The Board decided to discuss simultaneously agenda item 12 (The regional dimension) and its sub-items (a)-(d) and item 13 (Industrialization of the least developed countries). The debate on the two agenda items is reflected in summary records IDB.17/SR.7, paragraphs 11 to 26.

A. Africa, in particular the Second Industrial Development Decade for Africa

31. The Board had before it reports by the Director-General on the Second Industrial Development Decade for Africa (IDB.17/22) and on the Alliance for Africa's Industrialization (IDB.17/26) as well as a note by the Secretariat containing the Plan of Action for the Alliance for Africa's Industrialization (IDB.17/CRP.4). The Board considered a draft decision submitted by the President (IDB.17/L.5) and adopted decision IDB.17/Dec.4 (see annex I).

B. Arab countries programme for industrial development, including technical assistance to the Palestinian people

32. The Board had before it a report by the Director-General on the Arab countries programme for industrial development, including technical assistance to the Palestinian people (IDB.17/16). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 34-35).

C. Special Programme for the Industrial Development of Asia and the Pacific

33. The Board had before it a report by the Director-General on UNIDO activities in Asia and the Pacific (IDB.17/20). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 34-35).

D. Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean

34. The Board had before it a report by the Director-General on UNIDO activities in Latin America and the Caribbean (IDB.17/18). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 34-35).

E. Industrialization of the least developed countries

35. The Board had before it a progress report by the Director-General on the implementation of the least developed countries programme (IDB.17/4). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 37-38).

VI. OPERATIONAL ACTIVITIES FOR DEVELOPMENT; UNIDO CONTRIBUTION TO THE SYSTEM-WIDE ACTION PLAN ON DRUG ABUSE CONTROL

36. The Board decided to discuss simultaneously agenda item 14 (Operational activities for development) and item 15 (UNIDO contribution to the System-Wide Action Plan on Drug Abuse Control). The debate on the two agenda items is reflected in summary record IDB.17/SR.7, paragraphs 27 to 28.

A. Operational activities for development

37. The Board had before it a note by the Director-General on operational activities for development (IDB.17/14). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 37-38).

B. UNIDO contribution to the System-Wide Action Plan on Drug Abuse Control

38. The Board had before it a report by the Director-General on the UNIDO contribution to the System-Wide Action Plan on Drug Abuse Control (IDB.17/7). At the suggestion of the President, the Board took note of the information provided by the Director-General (IDB.17/SR.8, paras. 37-38).

VII. PERSONNEL MATTERS: (a) UNITED NATIONS JOINT STAFF PENSION FUND; (b) INTERNATIONAL CIVIL SERVICE COMMISSION; JOINT INSPECTION UNIT; MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

39. The Board decided to discuss simultaneously agenda item 17 (Personnel matters), item 18 (Joint Inspection Unit) and item 19 (Matters related to intergovernmental, non-governmental, governmental and other organizations). The debate on the three agenda items is reflected in summary record IDB.17/SR.7, paragraphs 29 to 69.

A. Personnel matters

40. The Board had before it a report by the Director-General on personnel matters (IDB.17/5), a list of staff of the UNIDO Secretariat as of 14 May 1997 (IDB.17/CRP.1 and Corr.1), and a conference room paper containing a note by the Secretariat on personnel matters (IDB.17/CRP.8). The Board considered two draft decisions submitted by the President (IDB.17/L.6; IDB.17/L.7) and adopted decisions IDB.17/Dec.5 and IDB.17/Dec.6 (see annex I).

B. Joint Inspection Unit

41. The Board had before it a note by the Secretariat on activities of the Joint Inspection Unit of relevance to UNIDO (IDB.17/13). At the suggestion of the President, the Board took note of the information provided by the Secretariat (IDB.17/SR.8, paras. 45-46).

C. Matters related to intergovernmental, non-governmental, governmental and other organizations

42. The Board had before it notes by the Director-General containing information on intergovernmental organizations not in the United Nations system (IDB.17/21) and on applications from non-governmental organizations for consultative status (IDB.17/12). The Board considered two draft decisions submitted by the President (IDB.17/L.3; IDB.17/L.4) and adopted decisions IDB.17/Dec.7 and IDB.17/Dec.8 (see annex I).

VIII. PREPARATIONS FOR THE SEVENTH SESSION OF THE GENERAL CONFERENCE

43. The Board had before it a report by the Director-General on preparations for the seventh session of the General Conference (IDB.17/15). The debate on item 20 is reflected in summary records IDB.17/SR.7, paragraph 70. The Board considered a draft decision submitted by the President (IDB.17/L.9) and adopted decision IDB.17/Dec.9 (see annex I).

IX. PROVISIONAL AGENDA AND DATE OF THE EIGHTEENTH SESSION

44. The Board had before it a note by the Director-General on the provisional agenda and date of the eighteenth session (IDB.17/CRP.2). The debate on item 21 is reflected in summary record IDB.17/SR.8, paragraphs 54 to 60. The Board considered a draft decision submitted by the President (IDB.17/L.8) and adopted decision IDB.17/Dec.10 (see annex I).

X. ADOPTION OF THE REPORT

45. The Board considered the draft report (IDB.17/L.1) and adopted it as a whole with the understanding that the Rapporteur would be entrusted with the task of finalizing the report (see summary record IDB.17/SR.8, paras. 61-63).

XI. CLOSURE OF THE SESSION

46. On 27 June, at 4.55 p.m., the Board closed its seventeenth session.

Annex I

DECISIONS ADOPTED BY THE BOARD AT ITS SEVENTEENTH SESSION

Decision No.	*Title*	*Page*
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IDB.17/Dec.1 UTILIZATION OF AVAILABLE CONFERENCE-SERVICING RESOURCES

The Industrial Development Board, with the aim of utilizing the available conference-servicing resources to the maximum possible effect, decided to suspend with immediate effect rule 32 of its rules of procedure relating to the quorum, for the meetings of its seventeenth session only and provided no substantive decisions were taken at those meetings.

1st plenary meeting
23 June 1997

IDB.17/Dec.2 BUSINESS PLAN ON THE FUTURE ROLE AND FUNCTIONS OF UNIDO

The Industrial Development Board:

(a) Recalled its decision IDB/S.7/Dec.3;

(b) Expressed its high appreciation of the work carried out by the intersessional working group on the future role and functions of UNIDO under the chairmanship of Mr. I. Posta (Hungary);

(c) Adopted the business plan on the future role and functions of UNIDO, as contained in the annex to the present decision;

(d) Requested the intersessional working group to continue its work under the chairmanship of Mr. I. Posta (Hungary);

(e) Also requested the intersessional working group in particular to further develop, in consultation with the Secretariat, a set of criteria and indicators that would allow the future assessment of the implications and monitoring of the implementation of the UNIDO reform process, including the performance of the Organization, in particular through the programme and budget;

(f) Further requested the chairman of the intersessional working group to report to the Industrial Development Board before the seventh session of the General Conference.

8th plenary meeting
27 June 1997

Annex

BUSINESS PLAN ON THE FUTURE ROLE AND FUNCTIONS OF UNIDO

In the context of the ongoing reform process, the present business plan provides the basis for enabling UNIDO to adapt its functions and priorities and orient its activities to the new realities of the changing global economic environment and ensure its viability and efficiency.

UNIDO will concentrate on those support functions in which the Organization has a comparative advantage over other multilateral development organizations and bilateral assistance. Activities will be directed primarily to support institutions rather than to individual enterprises, thus emphasizing upstream activities such as policy advisory services and institutional capacity-building. Support will be provided for the development of small and medium enterprises (SMEs) as the principal means for achieving equitable and sustainable industrial development. Emphasis will be given by UNIDO to the integration of women in industrial development.

UNIDO will provide its support primarily in comprehensive packages of integrated services and will further strengthen its existing capacity in this regard through interdisciplinary team-building.

While sharpening its focus in accordance with the above direction, UNIDO should continue to pursue the implementation of its mandates to support and promote the sustainable industrial development of developing countries and countries with economies in transition. Preserving the universal character of the Organization, UNIDO will give special emphasis to least developed countries, in particular in Africa.

Throughout its programmes, UNIDO will promote international industrial cooperation: between developed and developing countries, among developing countries and between developing countries and countries with economies in transition.

Future activities of UNIDO

The activities of UNIDO will be regrouped in two areas:

A. Strengthening of industrial capacities

1. Promotion of investment and related technologies;

2. Programmes in support of the global forum function and policy advice, including those relating to:

(a) Industrial policy advice based on action-oriented research;

(b) Institutional capacity-building at the country and sectoral levels;

(c) Quality, standardization and metrology;

(d) Industrial information through networking, including information on the transfer of technology;

(e) Industrial statistics.

B. Cleaner and sustainable industrial development

1. Support programmes on environmentally sustainable industrial development strategies and technologies, including on transfer of environmental technologies within industrial subsectors assigned high priority;

2. Development of specific norms and standards relating to environmentally sustainable industrial development strategies and technologies, and implementation of international protocols, agreements and conventions.

The above implies discontinuation of a number of activities:

(a) Activities in the field of privatization;

(b) Separate enterprise-level interventions not linked to the institutional or policy level;

(c) The preparation of project-specific feasibility studies within investment promotion activities, while maintaining a basic training capacity on relevant methodologies;

(d) Promotion of advanced technologies without proven industrial use;

(e) Research and industrial studies which are not clearly target-oriented;

(f) Activities in the field of energy, except those related to improvement of energy-efficiency of industries and to cleaner production;

(g) Activities in non-agro-based industries (engineering, metallurgical and chemical industries), unless related primarily to environmental issues or to agro-based industries;

(h) Services in relation to industrial subsectors which have already been assigned low priority;

(i) General activities related to country-level programming at Headquarters, in light of the future changes in field representation;

(j) Human resources development activities not integrated in a specific project or programme;

(k) Emergency relief activities with no industrial development aspect.

The discontinuation of activities will apply to new projects only. It is understood that approved projects will be implemented in accordance with the relevant project documents.

Concentration of activities

While maintaining its universal character and vocation, a geographical, sectoral and thematic concentration of the activities of UNIDO will be pursued by giving added emphasis to the following:

(a) Services to LDCs, in particular in Africa, with special attention to the regional and subregional level;

(b) Services in support of agro-based industries and their integration through subsectoral linkages into national industrial structures;

(c) Services in support of SMEs and their integration into national industrial structures.

Financing and budget

The format and presentation of the programme and budget document is to be revised to reflect a programmatic approach, in particular by grouping the substantive activities of the Organization into two major programme areas covering (a) the strengthening of industrial capacities and (b) cleaner and sustainable industrial development.

The preparation of the proposed 1998-1999 programme and budgets should be based on the programmes as elaborated in the business plan, reflecting a number of issues, i.e. changes in membership, discontinuation of activities, streamlining the organizational structures and introducing efficiency-enhancing measures. In this respect, an indicative level of 20 per cent and 10 per cent reduction of the budget is proposed for the preparation of the budget proposals.

Budgetary adjustments are to be achieved by:

(a) The introduction of efficiency-enhancing measures, including, *inter alia*, outsourcing of some administrative activities, reduction in the number and/or length of policy-making organs meetings, and reduction in non-staff expenditure items, including travel, publications, consultants and meetings;

(b) The discontinuation of activities;

(c) The streamlining of organizational structures.

It is understood that the implementation of budgetary adjustments could result in costs for staff separations in the programmes affected.

New approaches to (a) enhance funds mobilization, including cost-sharing arrangements for programmes and (b) promote the timely payment of assessed contributions by Member States are to be pursued.

New organizational structure

The structure of UNIDO will emanate from the business plan and, based on the two clusters, will include the following substantive divisions: (a) Investment promotion and institutional capacity-building, and (b) Sectoral support and environmental sustainability. A third component will comprise functions related to administration, operational support and coordination of field representation. The Office of the Director-General will include a small organizational unit dealing with functions related to policy coordination, external relations, legal advice and internal audit.

In the interest of ensuring a flat organizational structure, the head of one of the three organizational components will be designated, on a continuing basis, to act as deputy to the Director-General, whose responsibilities shall include coordination within UNIDO and acting on behalf of the Director-General, in the case of the latter's absence from Vienna. Also in keeping with the leaner hierarchical structure, authority will be delegated to the maximum extent possible to the middle-management levels of the Organization, whose role would be accordingly strengthened.

In defining the organizational structure of the Organization, an effective decentralization of activities and strengthened field representation has to be secured. This implies, *inter alia*:

(a) Redeployment of resources and professional staff with required level of expertise from Headquarters to the field;

(b) Appropriate delegation of authority;

(c) Formulation of key functions and responsibilities of field offices.

In this context, subregional offices will be established wherever functionally justified. Contributions from host countries, through cost-sharing or other arrangements, as well as the particular situation of the least developed countries, will be important elements to be taken into account when determining the location of individual field offices.

Functional and programmatic coordination between UNIDO field representation and that of other United Nations bodies have to be improved. UNIDO country offices will be integrated in a unified United Nations representation whenever feasible and cost-effective.

IDB.17/Dec.3 FINANCIAL SITUATION OF UNIDO

The Industrial Development Board:

(a) Took note with concern of the financial situation of UNIDO as reflected in the report of the Director-General on the financial situation of UNIDO (IDB.17/24 and IDB.17/CRP.5) and in the report of the External Auditor on the interim accounts for the first year of the financial period 1996-1997 ended 31 December 1996 (PBC.13/3—IDB.18/3);

(b) Urged those Member States that have not yet paid their assessed contributions for the bienniums 1986-1987 to 1996-1997 to do so without delay;

(c) Requested the open-ended discussion group on the timely payment of assessed contributions to present concrete recommendations in this regard to the Board before the seventh session of the General Conference;

(d) Expressed its deep concern at the non-payment of arrears of assessed contributions to UNIDO by a former Member State and, in that regard, urged that State to meet immediately its international financial obligations;

(e) Requested the Director-General, in the context of proposed legislation prohibiting this payment, to continue discussions with that former Member State, to explore all possibilities for the collection of the arrears of $61.3 million and to report to the Board at its eighteenth session.

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IDB.17/Dec.4 PLAN OF ACTION FOR THE ALLIANCE FOR AFRICA'S INDUSTRIALIZATION

The Industrial Development Board:

(a) Recalled Industrial Development Board decisions IDB.14/Dec.16, IDB.15/Dec.6, IDB.16/Dec.15 as well as IDB.16/Dec.13;

(b) Took into account the business plan on the future role and functions of UNIDO (decision IDB.17/Dec.2);

(c) Took note of the information provided by the Director-General as contained in documents IDB.17/22 and IDB.17/26, as well as in document IDB.17/CRP.4;

(d) Endorsed the Plan of Action for the Alliance for Africa's Industrialization as the implementation mechanism for a refocused Second Industrial Development Decade for Africa programme;

(e) Requested the Director-General to ensure that the Plan of Action serves as a framework for the future activities of UNIDO in Africa, particularly for its least developed countries;

(f) Requested the UNIDO Secretariat to ensure, within available financial resources, the effective co-ordination of the activities of the Alliance in close collaboration with the Organization for African Unity, the Economic Commission for Africa and other relevant cooperating partners.

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IDB.17/Dec.5 PERSONNEL MATTERS

The Industrial Development Board:

(a) Took note of the information contained in document IDB.17/5;

(b) Noted the amendments made, in pursuance of staff regulation 13.3, to schedules I and III and annex I to the UNIDO Staff Regulations in order to bring them into conformity with the decisions of the General Assembly set out in resolution 51/216;

(c) Also noted the amendments to appendices C, E and N to the UNIDO Staff Rules in order to bring them into conformity with the decisions of the General Assembly set out in resolutions 51/216 and 51/217;

(d) Further noted the amendments to staff rules 103.12, 200.01 and appendices A and M to the staff rules as reflected in paragraphs 10 to 12 of document IDB.17/5.

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IDB.17/Dec.6 UNIDO STAFF PENSION COMMITTEE

The Industrial Development Board:

(a) Recalled General Conference decision GC.6/Dec.19 concerning the election to the UNIDO Staff Pension Committee for the biennium 1996-1997;

(b) Recommended to the General Conference the following candidates for the election of two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 1998-1999:

Members:	Mr. S. O. Fatunla	(Nigeria)
	Ms. M. Bruck-Friedrich	(Austria)
Alternate members:	Mr. J. Pogány	(Hungary)
	[name to be provided]	(.....)

(c) Took note that one additional candidature for the election of an alternate member of the UNIDO Staff Pension Committee would be provided directly to the General Conference.

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IDB.17/Dec.7 INTERGOVERNMENTAL ORGANIZATIONS NOT IN THE UNITED NATIONS SYSTEM

The Industrial Development Board:

(a) Took note of the information provided in document IDB.17/21;

(b) Authorized the Director-General, in accordance with Article 19.1 (a) of the Constitution of UNIDO and the Guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (General Conference decision GC.1/Dec.41, annex, para. 9) and on the basis of the information contained in the annex to document IDB.17/21, to conclude an appropriate relationship agreement with the following intergovernmental organization:

Arab Maghreb Union (AMU).

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IDB.17/Dec.8 APPLICATIONS FROM NON-GOVERNMENTAL ORGANIZATIONS FOR CONSULTATIVE STATUS WITH UNIDO

The Industrial Development Board:

(a) Took note of the information provided in document IDB.17/12;

(b) Decided, in accordance with Article 19.1 (b) of the Constitution of UNIDO and the Guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (General Conference decision GC.1/Dec.41, annex, para. 17), to grant consultative status with UNIDO to the following two non-governmental organizations:

Austrian Society for Environment and Technology (ÖGUT)

International Multiracial Shared Cultural Organization (IMSCO).

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IDB.17/Dec.9 PROVISIONAL AGENDA FOR THE SEVENTH SESSION OF THE GENERAL CONFERENCE

The Industrial Development Board:

(a) Took note of the information contained in document IDB.17/15;

(b) Adopted the following provisional agenda for the seventh session of the General Conference:

1. Opening of the session.
2. Election of officers:
   (a) Election of the President;
   (b) Election of other officers.
3. Adoption of the agenda.
4. Organization of work.
5. Credentials of representatives to the Conference.
6. Elections to organs:
   (a) Industrial Development Board;
   (b) Programme and Budget Committee.
7. Reports of the Industrial Development Board on the work of its fifteenth, sixteenth, seventeenth and eighteenth regular sessions and of its seventh special session.
8. Annual reports of the Director-General on the activities of the Organization for 1995 and 1996.
9. Policy framework of UNIDO.
10. Financial matters:
    (a) Financial situation of UNIDO;
    (b) Scale of assessments of Member States;

(c) Working Capital Fund;

(d) Appointment of external auditor.

11. Industrial Development Fund.

12. Financial Regulations of UNIDO.

13. Medium-term programme framework, 1998-2001.

14. Programme and budgets, 1998-1999.

15. Development of human resources for industry.

16. Integration of women in industrial development.

17. Environmentally sustainable industrial development.

18. Industrialization of the least developed countries.

19. Private sector development.

20. Industrial investment promotion.

21. The regional dimension

(a) Africa (in particular the Second Industrial Development Decade for Africa);

(b) Arab countries programme, including technical assistance to the Palestinian people;

(c) Asia and the Pacific;

(d) Latin America and the Caribbean.

22. Geographical distribution of Managing Directors.

23. Personnel matters: United Nations Joint Staff Pension Fund.

24. Matters related to intergovernmental, non-governmental, governmental and other organizations.

25. Appointment of the Director-General.

26. Date and place of the eighth session.

27. Closure of the session.

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IDB.17/Dec.10 PROVISIONAL AGENDA AND DATE OF THE EIGHTEENTH SESSION

The Industrial Development Board:

(a) Recalled its decision IDB/S.7/Dec.2;

(b) Took note of the information contained in document IDB.17/CRP.2;

(c) Decided to adopt the following provisional agenda for its eighteenth session:

1. Opening of the session.

2. Adoption of the agenda.

3. Recommendation of a candidate for the post of Director-General.

4. Report of the Programme and Budget Committee:

(a) Scale of assessments;

(b) Interim financial performance report and programme performance report for the biennium 1996-1997;

(c) Programme and budgets, 1998-1999;

(d) Financial regulations and financial rules;

(e) Working Capital Fund;

(f) Appointment of an External Auditor;

(g) Financial situation of UNIDO;

(h) Industrial Development Fund and other voluntary contributions;

(i) Withdrawal of the United States of America.

5. Future role and functions of UNIDO.

6. Preparations for the seventh session of the General Conference.

7. Provisional agenda and date of the nineteenth session.

8. Adoption of the report.

9. Closure of the session.

(d) Also decided to hold the eighteenth session in two parts: part one on 12 September 1997, during which items 1 to 3 would be considered; and part two, to be held during the week of 17 to 21 November 1997, during which items 4 to 9 would be considered.

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Annex II

DOCUMENTS SUBMITTED TO THE BOARD AT ITS SEVENTEENTH SESSION

Symbol	*Agenda item*	*Title*
IDB.17/1/Rev.1	3	Agenda
IDB.17/1/Add.1	3	Annotated provisional agenda
IDB.17/2 GC.7/7	4	Establishment of an international centre for hydrogen energy technologies. Report by the Director-General
IDB.17/3 GC.7/8	8	Integration of women in industrial development. Programmes and activities, 1996-1997. Report by the Director-General
IDB.17/4 GC.7/9	13	Implementation of the least developed countries programme. Progress report by the Director-General
IDB.17/5	17	Personnel matters. Report by the Director-General
IDB.17/6 GC.7/10	7	Development of human resources for industry. Report by the Director-General
IDB.17/7	15	UNIDO contribution to the System-Wide Action Plan on Drug Abuse Control. Report by the Director-General
IDB.17/8 GC.7/11	9	Environmentally sustainable industrial development. Report by the Director-General
IDB.17/9	16	UNIDO field representation. Report by the Director-General
IDB.17/10	4	Annual Report of UNIDO 1996
IDB.17/10/Add.1	4	Annual Report of UNIDO 1996. Programme performance report. Operational statistics and other appendices
IDB.17/10/Add.2	4	Annual Report of UNIDO 1996. Programme performance report. List of technical cooperation projects
IDB.17/11 GC.7/12	11	Private sector development. Report by the Director-General
IDB.17/12	19	Applications from non-governmental organizations for consultative status. Note by the Director-General
IDB.17/13	18	Activities of the Joint Inspection Unit of relevance to UNIDO. Note by the Secretariat
IDB.17/14	14	Operational activities for development. Note by the Director-General
IDB.17/15	20	Preparations for the seventh session of the General Conference. Report by the Director-General
IDB.17/16 GC.7/13	12(b)	Arab countries programme for industrial development, including technical assistance to the Palestinian people. Report by the Director-General
IDB.17/17/Rev.1	-	Lists of States included in Annex I to the Constitution of UNIDO. Note by the Secretariat
IDB.17/18 GC.7/14	12(d)	UNIDO activities in Latin America and the Caribbean. Report by the Director-General
IDB.17/19	5	Implementation of the UNIDO reform. Report by the Director-General

Symbol	*Agenda item*	*Title*
IDB.17/20 GC.7/15	12(c)	UNIDO activities in Asia and the Pacific. Report by the Director-General
IDB.17/21	19	Information on intergovernmental organizations not in the United Nations system. Note by the Director-General
IDB.17/22 GC.7/16	12(a)	Second Industrial Development Decade for Africa. Report by the Director-General
IDB.17/23 GC.7/17	10	Industrial investment promotion. Report by the Director-General
IDB.17/24* and Corr.1	6	Financial situation of UNIDO. Report by the Director-General
IDB.17/25	6	Follow-up to the seventh special session: Draft business plan of the intersessional working group on the future role and functions of UNIDO; Report of the Chairman, Mr. I. Posta (Hungary), Vice-President, Industrial Development Board
IDB.17/26	12(a)	Alliance for Africa's Industrialization. Report by the Director-General
		* * *
IDB.17/CRP.1 and Corr.1	17	List of staff of the UNIDO Secretariat as of 14 May 1997. Submitted by the Secretariat
IDB.17/CRP.2	21	Provisional agenda and date of the eighteenth session. Note by the Director-General
IDB.17/CRP.3	10	Industrial investment promotion. Note by the Secretariat
IDB.17/CRP.4	12	Plan of Action for the Alliance for Africa's Industrialization. Note by the Secretariat
IDB.17/CRP.5*	6	Financial situation of UNIDO. Note by the Secretariat
IDB.17/CRP.6	3	List of documents
IDB.17/CRP.7	6	Preliminary budget estimates, 1998-1999. Note by the Secretariat
IDB.17/CRP.8	17	Personnel matters. Note by the Secretariat
IDB.17/CRP.9	-	List of participants

* Discussed under agenda item 5.